



Arizona Department of Gaming

**ANNUAL
REPORT**

Fiscal Year 2021

ANNUAL REPORT

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Statutory Requirements

In accordance with Arizona Revised Statutes (A.R.S.) § 5-601(G) and 5-104(P), the Arizona Department of Gaming (ADG) submits this consolidated annual report for Fiscal Year (FY) 2021. Pursuant to these statutes, ADG shall distribute the report to the Governor, the President of the Senate, Speaker of the House of Representatives, the Secretary of State, and each Tribe that has executed a compact with the state. ADG also will make this report available to the public online at azgaming.gov.



Arizona Department of Gaming

VISION

World-Class Gaming Regulation
for a Stronger Arizona

MISSION

To ethically and effectively regulate gaming, horse racing, and unarmed combat sports, while ensuring that they are conducted in a socially responsible manner.

VALUES

We act with **integrity**;
Respect one another and those we serve;
Strive for **excellence**;
Succeed through **diversity** and **teamwork**.

Director's Message

It is my privilege to submit the Arizona Department of Gaming (ADG) Annual Report for FY2021. This report summarizes our work to serve and protect the public, including visitors to Arizona, as well as our permittees and licensees.

Without a doubt, FY2021 brought with it new and exciting changes for ADG. Most notably was the largest gambling expansion in over 20 years — The signing of the amended Tribal-State Gaming Compacts and the legalization of off-reservation event wagering & fantasy sports.

In April of 2021, Governor Doug Ducey signed House Bill 2772 and the amended Tribal-State Gaming Compacts, strengthening the partnership between the State and Arizona Tribes while modernizing gaming in Arizona. These actions not only legalized a whole new slate of casino games for Arizona tribal casinos, it directed ADG to adopt rules and act as the primary regulator and enforcement body for event wagering and fantasy sports throughout the state.

This was no small task for the Department. Through feedback and collaboration from both the public & industry stakeholders, ADG was able to efficiently and responsibly set up event wagering & fantasy sports in less than five months — giving Arizonans the chance to responsibly enjoy these games in time for the kickoff of the NFL Football season.

While ADG staff went above and beyond to help set up event wagering & fantasy sports on an expedited timeline, there were still many other accomplishments to be proud of this year.

Our Racing Division worked diligently with stakeholders throughout the state to develop COVID-19 protocols for the resumption of live racing. This directly resulted in a successful meet this year at Turf Paradise, as well as the completion of Arizona Downs' first full season of live racing. Additionally, Racing Division staff initiated the [Healthy Humans, Healthy Horses track wellness program](#), which aims to address the growing substance abuse problem at



Arizona racetracks by supporting racing participants who may be suffering from the serious issue of addiction.

Sanctioned boxing & mixed martial arts events also resumed in the state, thanks to the hard work of the Boxing & MMA Division. They partnered with subject matter experts and industry stakeholders to develop COVID-19 protocols, safely allowing promoters and unarmed combat athletes to get back to work and do what they love.

Lastly, the Division of Problem Gambling (DPG) took steps to help best serve those who may struggle with gambling. In response to COVID-19, DPG was able to provide online training opportunities for contracted problem gambling providers in the state and launched a new and improved website at problemgambling.az.gov, making it easier than ever for those who struggle with gambling to get the help they need.

From safely addressing COVID-19 to implementing the largest gambling expansion in over 20 years, ADG staff rose to the occasion this fiscal year. Thank you to all for making FY2021 a success. ADG will continue to strive for its vision of world-class gaming regulation for a stronger Arizona.

Ted Vogt
Director

Agency Overview

Established by the Arizona State Legislature in 1995, ADG is the state agency charged with regulating Tribal gaming, racing, pari-mutuel/simulcast wagering, unarmed combat sports, and the newly legalized event wagering and fantasy sports in the state. ADG also provides and supports prevention, education, and treatment programs for people and families affected by problem gambling through its Division of Problem Gambling and 24-hour confidential helpline, 1-800-NEXT-STEP.

ADG has deployed the Arizona Management System (AMS) to identify process improvement opportunities, develop goals, and solve problems of every size. DG reviewed, monitored, and tracked its progress using the AMS Scorecard and teams measure their specific results on huddle boards. The scorecard is used to track metrics in line with the strategic plan and other operations.

ADG is organized into the Office of Administration and four divisions: Tribal Gaming, Problem Gambling, Racing, and Boxing & Mixed Martial Arts. Each area has a unique set of responsibilities, funding sources/mechanisms, and budget in support of the agency's mission.



BOXING & MIXED MARTIAL ARTS



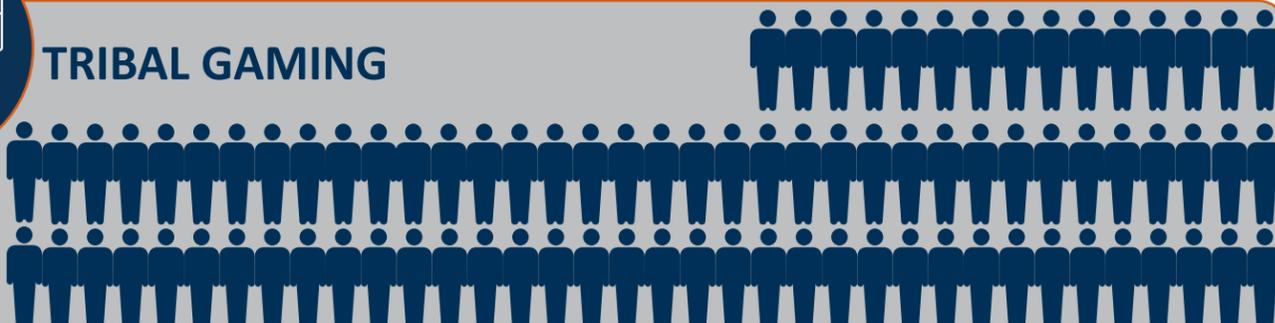

PROBLEM GAMBLING




RACING




TRIBAL GAMING



Event Wagering & Fantasy Sports

While not implemented in Fiscal Year 2021, The Department of Gaming was charged with regulating and enforcing event wagering & fantasy sports contests, which was legalized through House Bill 2772 in April of this year. This was no easy feat, and ADG worked diligently with the public & stakeholders to complete the necessary rules and regulations to successfully set-up this industry efficiently and responsibly.

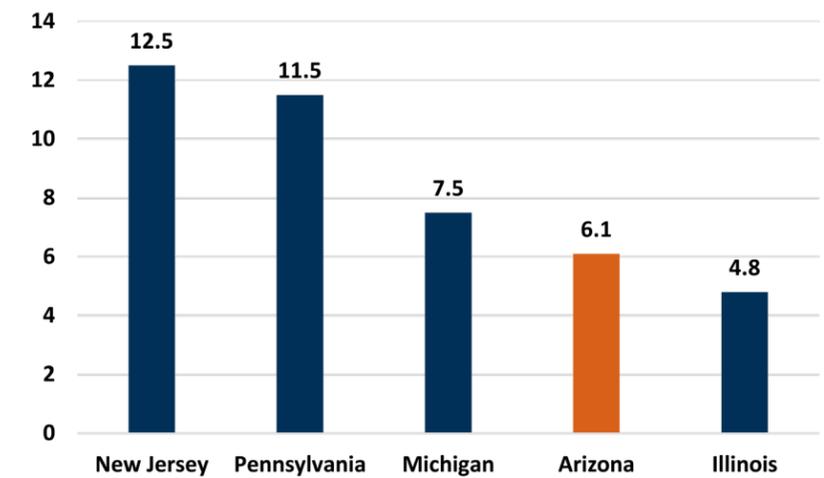
The Steps to Success

There were several factors that allowed ADG to set up the event wagering & fantasy sports industries on an expedited timeline of just **147** days since the signing of the enabling legislation. These include:

- New Staff:** ADG hired experts in the event wagering & fantasy sports field to help set up and directly regulate and enforce these new games in the state.
- Exemption from rulemaking requirements:** The Arizona State Legislature passed House Bill 2772 with an emergency clause, allowing ADG to execute an accelerated rulemaking process.
- Collaboration & Feedback:** Through virtual open public comment sessions and feedback forms, ADG was able to accurately and efficiently garner the input of interested parties.
- Clear Communication:** ADG made it a priority maintain an open line of communication with the public & stakeholders, helping ensure that all parties were aware of all important information and deadlines.

Arizonans were ready to responsibly play these new games. During the first weekend of legal event wagering, which coincided with the start of the NFL season, Arizona was the 4th largest state in terms of total transactions.

Top 5 States by Total Transaction Volume (In Millions) - NFL Opening Day Weekend

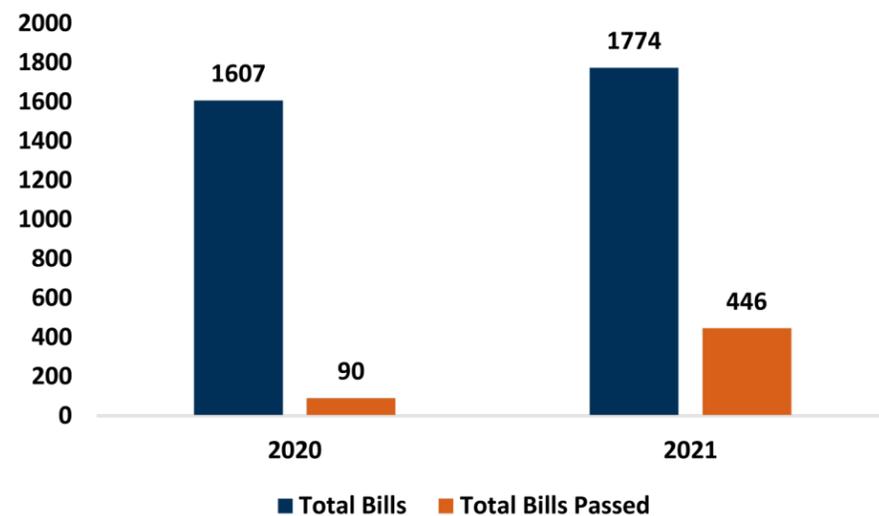


Agency Legislation

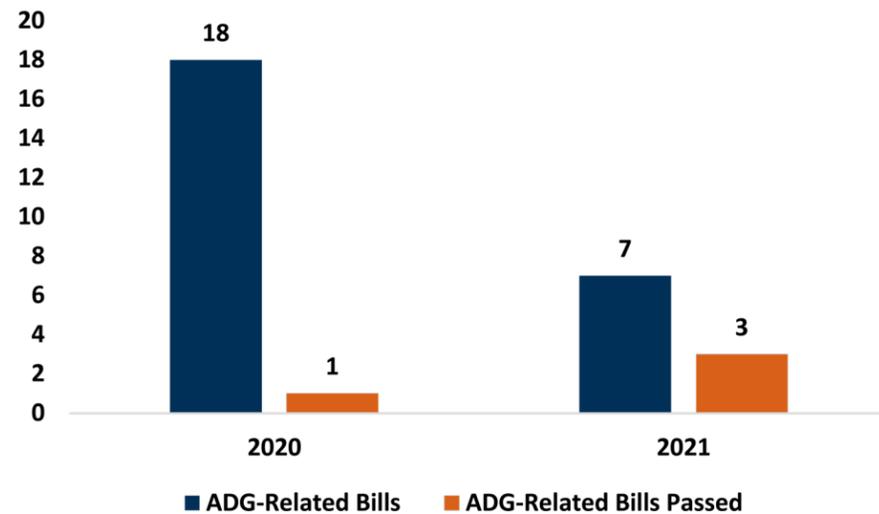
Every year, ADG’s legislative team represents the Department during the Arizona legislative session. The 2021 Legislative Session, which adjourned on June 30, had a total of 1,774 bills posted. Of these 1,774 bills, 446 passed through both chambers of the Legislature and were signed by the Governor.

Of the 1,774 bills posted, 7 of these bills were related to ADG. Of these 7 bills, 3 were passed and signed into law. Of note was House Bill 2772, which legalized event wagering and fantasy sports contests in the state of Arizona.

Total Bills



ADG-Related Bills



Office of Administration

With oversight from the Director, the ADG Office of Administration establishes the objectives and structure of the agency and, through the Deputy and Assistant Directors, leads its day-to-day operations. The Office of Administration oversees General Services, Finance, Legal Affairs, and Communications.



General Services

Strives to serve employees and stakeholders with urgency, fairness, kindness, and continuous improvement. General Services includes Human Resources, Information Technology, and Reception. Forward-thinking and employee engagement-minded, General Services uses problem solving and new technology to make ADG the best place to work in Arizona. Significant wins achieved in FY2021 include:

- Supported the creation of a new and improved Division of Problem Gambling website.
- Implemented virtual all-hands meetings to help keep the Agency connected during telework.
- Improved the hiring process by increasing communication between the resume review and interview panels.
- Completed an Employee Blueprint project, which took direct input and recommendations from ADG staff to help improve the employee experience at ADG.



Legal Affairs

Acts as in-house counsel on all legal matters and regularly works with the assigned Attorney General’s Office attorney in the areas of administrative law, policy and rule formulation, public records law, and gaming law. Legal Affairs also delivers in-house training to ADG staff regarding Arizona Tribal-State Gaming Compact compliance and public records. In FY2021, Legal Affairs fulfilled approximately 100 public records requests and took final steps to convert all ADG records to electronic format.



Communications

Serves as the bridge between ADG and the Arizona State Legislature, the news media, and community at-large. Communications enhances public awareness and provides useful and timely information to support ADG’s goals and foster respect for all. In FY2021, staff provided hundreds of Arizona residents and visitors with answers and resources relating to Tribal gaming, charitable gambling, problem gambling, unarmed combat sports, racing, and pari-mutuel and simulcast wagering.



Finance

Is responsible for the financial planning and administration of ADG’s monies. Finance is comprised of budget, disbursements, accounts receivable, payroll, procurement, and facilities.

Tribal Gaming

Gaming in Arizona is governed by the Arizona Tribal-State Gaming Compacts (Compact) between the State and all 22 federally recognized Arizona Tribes. The Compact with each of Tribes is substantially identical, lasts for 10 years, and can be renewed for another decade and an additional three-year term. The Compact is also part of Arizona Law.

Currently, 16 Arizona Tribes operate 24 Class III casinos in the State. Another six Tribes do not have casinos but have slot machine rights that they may lease to other Tribes with casinos (transfer agreements).

**Regulated Tribal Casinos
& Locations**

Tribal Contributions

Audit

Machine Compliance

Inspections & Investigations

Intelligence

State Certifications

Games & Systems

Funding & Budget

Tribal Gaming

Regulated Tribal Casinos & Locations

COMPACTED TRIBES WITH CASINOS



Ak-Chin Indian Community
• Harrah's Ak-Chin Casino



Cocopah Indian Tribe
• Cocopah Casino



Colorado River Indian Tribes
• Blue Water Casino



Fort McDowell Yavapai Nation
• Fort McDowell Gaming Center



Fort Mojave Indian Tribe
• Spirit Mountain Casino



Gila River Indian Community
• Wild Horse Pass, Vee Quiva & Lone Butte Casinos



Navajo Nation
• Twin Arrows Casino



Pascua Yaqui Tribe of Arizona
• Casino of the Sun
• Casino Del Sol



Quechan Indian Tribe
• Paradise Casino



Salt River Pima-Maricopa Indian Community
• Casino Arizona
• Talking Stick Resort



San Carlos Apache Tribe
• Apache Gold Casino
• Apache Sky Casino



Tohono O'odham Nation
• Desert Diamond Casinos (Tucson, Sahaurita, West Valley)



Tonto Apache Tribe
• Mazatzal Casino



White Mountain Apache Tribe
• Hon Dah Casino



Yavapai-Apache Nation
• Cliff Castle Casino



Yavapai-Prescott Indian Tribe
• Yavapai Gaming Center
• Bucky's Casino



Havasupai Indian Tribe



Hopi Tribe



Hualapai Indian Tribe



Kaibab Band of Paiute Indians



San Juan Southern Paiute Indian Tribe



Zuni Tribe

COMPACTED TRIBES WITHOUT CASINOS

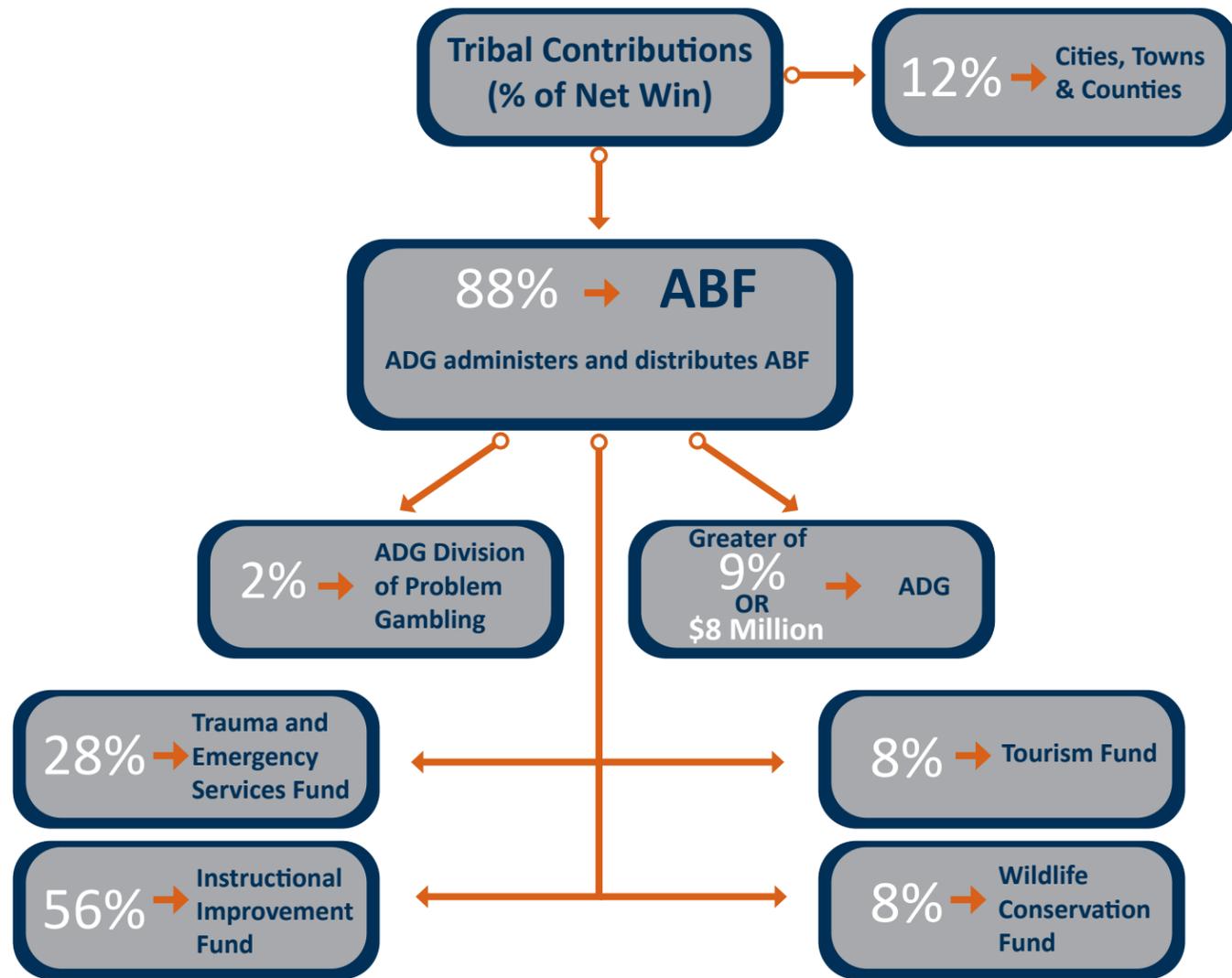


**Locations in yellow denote a compacted Tribe without a casino.*

Tribal Gaming

Tribal Contributions

Under the amended Tribal-State Gaming Compacts, Tribes that operate casinos contribute a percentage of their Class III Net Win¹ on a quarterly basis to education, healthcare, and other programs that benefit Arizonans. Administered by ADG, 88 percent of a Tribe's total annual gaming contribution is paid to the Arizona Benefits Fund² (ABF), with the remaining 12 percent distributed by the Tribes directly to cities, towns and counties in Arizona. In addition to funding ADG's administrative, regulatory, and law enforcement activities, 2 percent of the Tribal contributions distributed to ABF are dedicated and used for problem gambling education and treatment programs.



¹ Class III Net Win is the difference between gaming wins and losses before deducting casino operating costs. Contributions are determined on a sliding scale based on the amount of the Tribe's year-to-date Class III Net Win.
² A.R.S. § 5-601.02(H)(4)

Tribal Gaming

Instructional Improvement Fund

Established by A.R.S. § 15-979 for use by school districts for classroom size reduction, teacher salary increases, dropout prevention programs, and instructional improvement programs.



Trauma & Emergency Services Fund

Established by A.R.S. § 36-2903.07 for reimbursement to Arizona hospitals for unrecovered trauma center readiness costs and unrecovered emergency services costs.



Arizona Wildlife Conservation Fund

Established by A.R.S. § 17-299 for the conservation, enhancement, and restoration of Arizona's diverse wildlife resources and habitats for present and future generations.

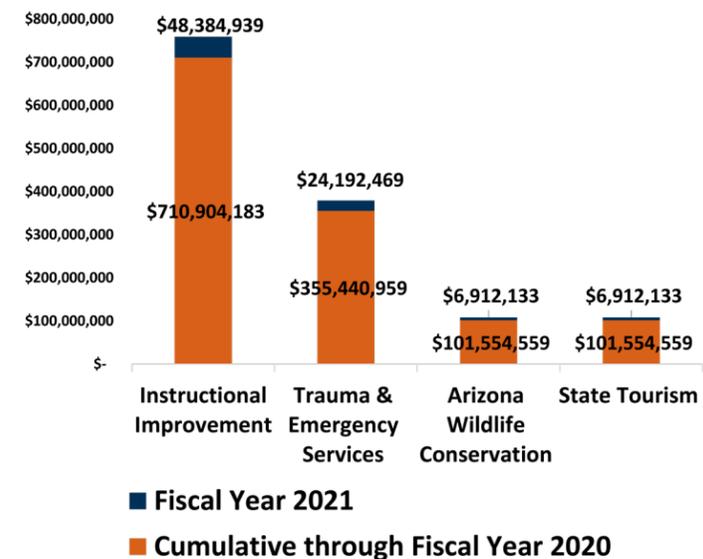


State Tourism Fund

Established by A.R.S. § 41-2306 to solely promote tourism within the State of Arizona.



Tribal Contributions to Key Arizona Benefits Fund Beneficiaries



Cumulative Tribal Contributions to ABF through Fiscal Year 2021: **\$1,534,660,779**

Fiscal Year 2021 Tribal Contributions to ABF: **\$97,080,534**

[See Appendix A – Annual Report of Tribal Contributions]

Tribal Gaming



Audit

ADG conducts annual on-site financial and procedural reviews of regulated casinos in Arizona to verify compliance with the Compact and its appendices. To ensure fairness of authorized gaming activities, an ADG Compact compliance review team checks hundreds of items ranging from validating gaming revenues and cash handling procedures, to video surveillance, to casino promotions. ADG audits casino books and records, electronic accounting and monitoring systems, and casino minimum internal control standards and procedures.

- Review
 - Tribal Contributions
 - Compact Compliance
 - Internal Controls
 - External Auditor Workpapers
 - Transfer Agreements
 - Track and Monitor Compact Violations

Tracking

ADG tracks the flow of money from the casino floor all the way to financial reports, including verifying timely and accurate payment of Tribal contributions to the State.



Machine Compliance

The Machine Compliance technicians are committed to ensuring the integrity of gaming devices and accurate payouts for casino patrons. The Machine Compliance technicians strive to be experts in their field, and regularly provide training, insight, and expertise to Tribal gaming regulators, operators, manufacturers, independent testing labs, and consumers.

Under the amended Compacts, a maximum of 1,450 gaming machines are authorized at each gaming facility in the state. As of June 1, 2021, there were approximately 15,300 machines in operation.

- The Work
 - Prior to a gaming device being placed into service, ADG technicians test and verify device hardware, software, and configuration to support the certification issued by an independent testing lab.
 - ADG technicians also certify gaming device modifications and verify kiosks and electronic monitoring systems for compliance.

- Results
 - 2,304 Certifications
 - 225 Casino Visits

Tribal Gaming



Inspections & Investigations

The Investigations & Inspections (I & I) team monitors Compact compliance and helps ensure issues are addressed in a timely fashion by conducting regular on-site inspections of casino operations and investigating suspected Compact violations and non-compliance issues.

The I & I team reviews Tribal Incident Reports (TIRs) to identify areas of concern while working with Tribal regulators to prevent issues from becoming widespread. With several Arizona Police Officers Standards & Training (AZPOST) certified Special Agents, the I & I team's on-site presence at casinos increases public confidence in the integrity of Arizona gaming, ensures ADG is proactive in its regulatory obligations, and supports positive relations with Tribal gaming regulatory counterparts.

The I & I team also provides ongoing assistance to the Intelligence team by serving search warrants, gathering evidence, conducting investigative interviews, and acting as a liaison between Arizona casinos and law enforcement agencies in conducting criminal investigations.

- Results
 - 77,569 Miles Driven in FY2021
 - 11,371 TIRs Reviewed and Classified
 - 512 Tribal Site Visits to 24 Casinos
 - 17 Compliance Issues Resolved



Intelligence

ADG Intelligence (Intel) Special Agents enforce the State's gambling laws by investigating reports of illegal gambling and ensuring involved individuals are prosecuted. In many cases, illegal gambling establishments attract additional crime and increased calls for service by local police departments. ADG Intel helps reduce crime in our neighborhoods by working in partnership with local law enforcement officers and attorneys to shut down and prosecute illegal gambling operations off-reservation, as well as assists Tribal authorities with investigations, training, and intelligence on suspected criminal activities in their jurisdictions, when requested. ADG Intel also tracks suspicious currency, suspected gambling cheats, and persons excluded from casinos for criminal conduct.

- Results
 - 187 Various Operations
 - 39 Gambling Inquiries
 - 21 Opened Illegal Gambling Investigations
 - 6 Closed Illegal Gambling Investigations
 - 10 Investigations Ending in Criminal Charges

- Seized
 - \$451,244 Illegal Gambling Proceeds
 - 300 Slot Machines
 - 22 Illegal Gambling ATM's
 - 1 Single-family residence (~\$245K)

Tribal Gaming

State Certifications

Companies and individuals desiring to do business with or work at Tribal casinos in Arizona must obtain a state certification from ADG. A cash intensive industry that often is associated with crime, casino gaming is one of the most highly regulated industries in the country – involved companies and individuals are carefully scrutinized and held to extremely high standards.



- The Work**
- Personal/Criminal Background Checks
 - Fingerprints
 - Credit History Reports
 - Financial Background Screening
 - Work History

- Review**
- Any Criminal Cases or Civil Litigation
 - Education
 - Personal and Professional References
 - Tax Records

Cross-Jurisdictional Collaboration

ADG State Certification teams also process requests for information from gaming regulators across the nation and provide no-cost training to Tribal counterparts in the areas of background and financial investigations, interviewing techniques, and fingerprinting.

Tribal Gaming

Vendor Results

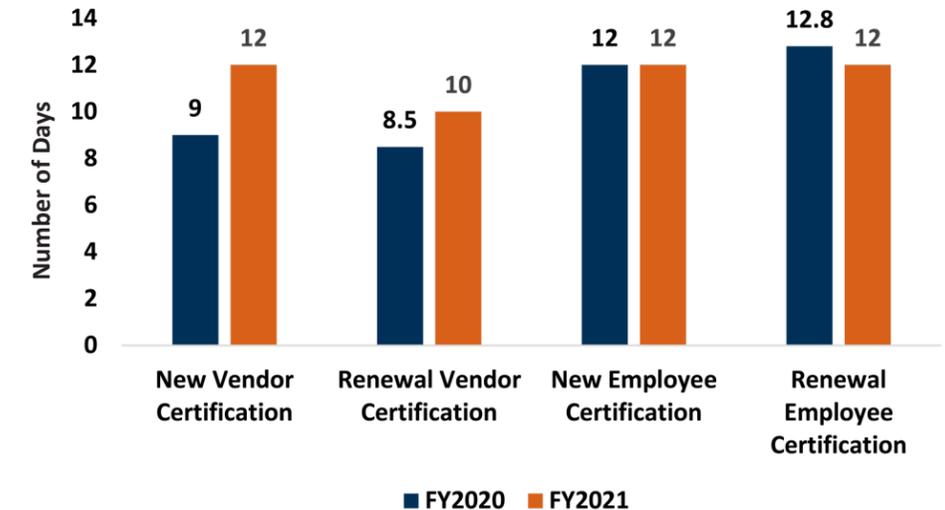


Employee Results



*Any Gaming Employee or Tribal Gaming Office Employee that is not an Enrolled Tribal Member is required to be certified by ADG.

Average State Certification Times:



Timely Certifications

For the thousands of active and prospective Tribal casino employees and vendors, this fiscal year ADG continued to timely issue required state certifications with less regulatory burden and cost.

Tribal Gaming

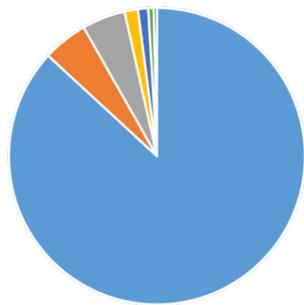


Games & Systems

To ensure that card games operate with high integrity and that lotteries, promotions, and tournaments are conducted fairly and honestly, the ADG Games & Systems team works diligently with Tribal regulatory counterparts. *[See Appendix B – Status of Tribal Gaming]*

- Review & Approve
 - New Poker & Table Games
 - Existing Game Revisions
 - Lotteries
 - Promotions
 - Tournaments
 - Emerging Gaming Technology

**Fiscal Year 2021
Approved Tribal Submissions**



Promotions/Lotteries	1011
New/Revised Blackjack	57
Jackpot Poker Tournaments	55
Slot Tournaments	17
New/Revised House Banked Poker	13
New/Revised Jackpot Poker	7
Blackjack Tournaments	4



Training

The I & I team coordinates free training sessions to Tribal partners on more than 20 topics taught by subject matter experts from ADG, the gaming industry, and law enforcement. Topics like auditing, security, surveillance, and general casino operations, give participants knowledge and information to perform efficiently and create a safe and friendly work environment. Training participants include Tribal regulators, gaming facility operators, other law enforcement jurisdictions, and the community.

The I & I team also coordinates training sessions in conjunction with the Arizona Tribal Gaming Regulators Alliance (ATGRA), including the annual New Agent Training Academy. Several ADG courses are certified as continuing education training credits for Arizona Law Enforcement Peace Officers, which assists individuals with meeting AZPOST annual training requirements. Based on positive feedback received from Tribes and participants, ADG continues to expand its training offerings and provides more training sessions on more topics each year.

- Results
 - 634 students trained
 - 19 Tribe-Requested Trainings

Tribal Gaming

Funding & Budget

Regulation of Tribal Gaming is funded by Arizona's gaming Tribes as set forth in the Compact, which includes a percentage of Class III Net Win and State Certification fees. Tribal Gaming does not receive any tax revenue or general fund monies to support its regulatory responsibilities.

Fiscal Year 2021 Revenue	Regulation	Certification
Total Revenue	\$8,751,464	\$1,790,740

Fiscal Year 2021 Expenditures	Regulation	Certification
Personal Services	4,097,406	1,319,197
Employee-Related Expenditures	1,515,976	543,236
Professional & Outside Services	753,811	41,373
In-State Travel	110,515	400
Out-of-State Travel	1,283	0
Other Operating Expenses	517,819	309,116
Equipment	194,200	0
Transfers	820	0
Total Expenditures	\$7,191,830	\$2,213,322

Problem Gambling

The ADG Division of Problem Gambling (DPG) provides and supports education, prevention, and treatment for people and families affected by problem gambling. To support socially responsible gaming in Arizona, DPG conducts community outreach to increase awareness about problem gambling and offers tools and resources for those in need, including:

- Exhibits and contacts at conferences and other events;
- Counseling services from contracted, specialized treatment providers and DPG's 24/7 confidential helpline, 1-800-NEXT-STEP; and
- A voluntary casino Self-Exclusion program, whereby patrons can choose to exclude themselves from Arizona Class III gaming casinos for a period of one, five, or ten years.



Problem Gambling



Prevention, Education & Outreach

FY2021 was a landmark year for DPG:

- Results**
- Arizona Governor Doug Ducey again recognized March as Arizona Problem Gambling Awareness Month.
 - DPG completed an online training portal, allowing new treatment providers and other interested parties in the state to access problem gambling-specific treatment training.
 - Despite the COVID-19 pandemic, DPG was able to offer 36 hours of continuing education units to treatment providers in the state through an online format. This resulted in a larger quantity of high-quality training available than in previous years.



Self-Exclusion

DPG Self-Exclusion staff work with gaming facilities on a daily basis to update the patron self-exclusion list.

- Results**
- 9,613** Total Enrolled Since Program Inception
 - 2,260** Active Self-Exclusions
 - 342** Enrolled in Fiscal Year 2021

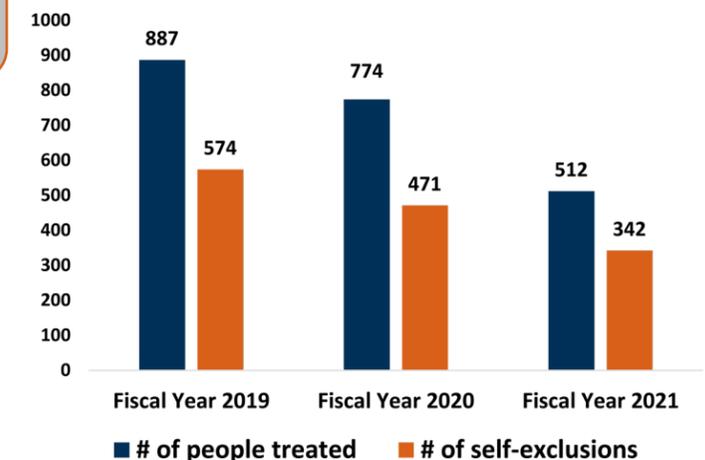


Treatment

DPG coordinates training of licensed counselors in Arizona, who work under contract to treat individuals with gambling-related issues. In FY2021 DPG provided:

- Results**
- \$993,400** Directly Towards Treatment
 - 2** Clinical Provider Trainings

Treatment and Self-Exclusions



Problem Gambling

Funding & Budget

Per the 2002 General Election Ballot Proposition 202 (Indian Gaming Preservation and Self-Reliance Act), ADG shall use 2 percent of the Tribal contributions made to the Arizona Benefits Fund to fund state and local programs for the prevention and treatment of, and education concerning, problem gambling.

Fiscal Year 2021 Revenue

Arizona Benefits Fund	1,945,768
Lottery Contribution	300,000
Total Revenue	\$2,245,768

Fiscal Year 2021 Expenditures

Personal Services	224,298
Employee-Related Expenditures	85,098
Professional & Outside Services	61,715
In-State Travel	38
Out-of-State Travel	0
Treatment Providers	1,047,245
Other Operating Expenses	218,522
Equipment	0
Transfers	40,140
Total Expenditures	\$1,677,056

Racing

The ADG Racing Division is responsible for the regulation and oversight of all live and simulcast horse racing along with all pari-mutuel horse and dog wagering conducted in the State of Arizona. As one of the handful of states that offers a year-round racing circuit, ADG enforces Arizona laws and regulations to protect racing participants and the wagering public and serves the horse and dog racing industries.

ADG works in collaboration with the Arizona Racing Commission, which issues permits and racing licenses, and approves off-track betting site locations and live horse race meet dates.

Staffed with experienced professionals dedicated to the integrity of the sport, the ADG Racing team includes a veterinarian, experienced investigators, a pari-mutuel auditor, and nationally accredited stewards.



Racing



Regulatory Overview

To enforce laws and regulations and protect racing participants and the wagering public, ADG regulates and supervises all commercial and county live horse race meets, simulcast dog racing, and on- and off-track pari-mutuel wagering. Regulatory activities include: issuing permits and licenses, conducting background investigations, conducting licensing hearings and associated investigations, performing equine pre- and post-race testing, inspecting off-track betting sites, and collecting tax revenues.

Live Commercial Horse Race Meets

- Turf Paradise (02/2021 - 05/2021)*
- Rillito Park (Did not run in FY2021 due to COVID-19)
- Arizona Downs (06/2021 - 9/2021)**

Simulcast Dog Race Meets

- American Greyhound Racing (07/2020- 06/2021)
- Tucson Greyhound Park (07/2020 - 06/2021)

*Turf Paradise held a shortened meet due to COVID-19
 **Arizona Downs racing meet operates through FY2021

Off-Track Betting

At any given time, approximately 50 Off-Track Betting (OTB) sites operate statewide. Typically located in bars and restaurants, OTBs offer patrons an opportunity to wager on racing simulcasts. Additionally, three advanced deposit wagering permittees (see page 31) were authorized to provide horse racing wagers via telephone and online***.

***Online horse racing wagers began on September 9, 2021.



Racing Commissioners



Rory Goreé, Chairman of the Racing Commission, has been heavily involved in the Greyhound racing industry, focusing on greyhound adoption. He has spoken at greyhound adoption events and university, veterinarian, and racing symposiums across the country.



Chuck Coolidge, Vice President for Corporate Affairs for VieMed Healthcare, has 16 years of corporate and political experience. Chuck also currently serves as the Vice President of the Phoenix Art Museum's Mens Art Council Board & Copperstate Overland Chairman.



Graduating from Arizona State University – Sandra Day O'Connor College of Law, Tracy Olson is an associate at the law offices of Snell & Wilmer, where she focuses her practice in special litigation and compliance. Prior to her current position, she served as a Judicial Law Clerk for the Hon. Clint Bolick from 2017 to 2018.

Racing



Permitting

The Arizona Racing Commission awards permits for commercial and county fair horse racing, dog racing simulcast, and advanced deposit wagering. A.R.S. § 5-107 allows for permits to be issued for horse or harness racing and dog racing for no more than three-year terms. Once the initial permit is approved, an entity must renew its permit before it expires in order to continue operations.

Racing Permits

	Issued	Renewed	Pending
Fiscal Year 2020	1	1	3
Fiscal Year 2021	4	0	0



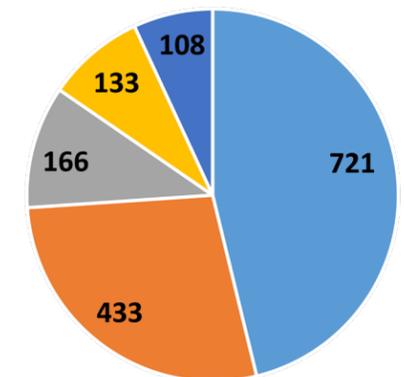
Licensing

ADG processes and investigates all license applications in a timely manner while ensuring only eligible applicants receive licenses in accordance with A.R.S. § 5-108.

Racing Licenses

	Issued	Denied	Total Revenue
Fiscal Year 2020	1,769	16	\$133,275
Fiscal Year 2021	2,353	11	\$294,200

Top Five Racing License Categories



- Horse Owner
- Groom
- Trainer/Owner
- Mutuel Tellers
- Exercise Rider

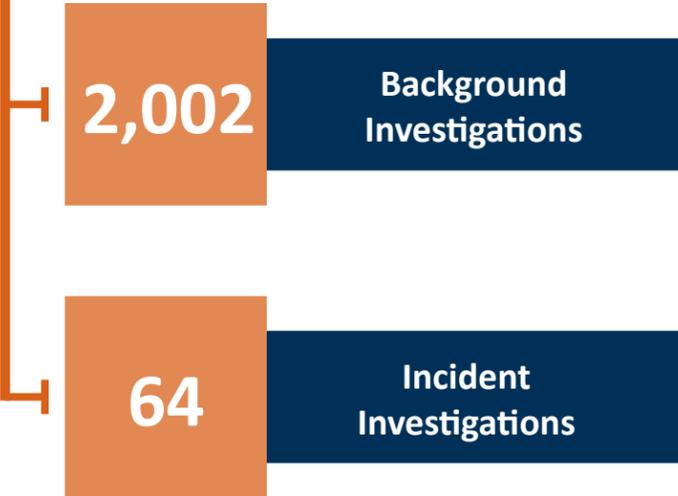
ADG's Racing Division issues 36 types of licenses, ranging from horse owners to track officials – Approximately 70 percent of FY2021 licenses fall into one of the “Top Five Categories” presented in the chart to the right.

Racing



Investigations

ADG investigates possible violations of racing laws and rules and conducts a background investigation for each license applicant who submits fingerprints, as required by A.R.S. § 5-108. FY2021 figures reflect the total number of investigations conducted for incident and background investigations, which include processing of fingerprints and any resulting false applications.



Stewards' Rulings

Arizona Administrative Code R19-2-121(E) requires the State to appoint two stewards and the permittee to appoint an additional steward. Known as the "Board of Stewards," these three are charged with regulating the conduct of officials and other licensees participating in a race meet.

Stewards' Rulings	Issued	Total Revenue
Fiscal Year 2020	169	\$56,200
Fiscal Year 2021	65	\$21,008

Monies generated from penalties to licensees and permittees for various rule infractions are transferred to the General Fund.

Racing



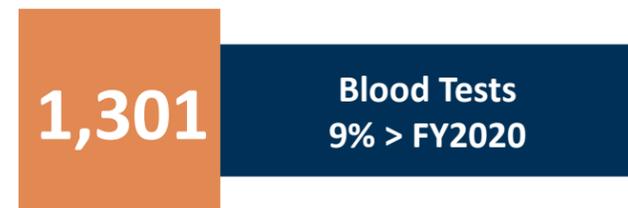
Equine Wellness & Injury Prevention

The safety of human and equine athletes is a top priority for ADG. In response to a sharp increase in equine fatalities over the last three years, ADG initiated an ongoing collaborative effort with Arizona's horse racing permittees and industry stakeholders to proactively address this issue. This collaboration is above and beyond the required equine pre- and post-race testing.

An Equine Wellness Committee consisting of ADG personnel, the general managers of Arizona's race tracks, and members of the Arizona Horsemen's Benevolent & Protective Association met several times in FY2021 to monitor and strategize the collaborative efforts to combat the growing trend of catastrophic injuries at Arizona racetracks. In addition, the Committee met monthly to review the latest injury prevention strategies. Moving forward, this Committee has developed the following recommended protocols:

Recommendations

- Be proactive in identifying horses at risk of injury following entries;
- Improve pre-race exam process through oversight by Division personnel;
- Perform drug testing on all gate-scratched and vanned-off horses;
- Regulate the use of corticosteroids and mandatory reporting of all intra-articular joint injections; and
- Change Veterinarian's List procedures to include zero tolerance for any analgesic substances in horses needed to work off a Vet list.



ADG and industry participants are committed to further lowering this number as new strategies and injury prevention methodologies are implemented.

Racing



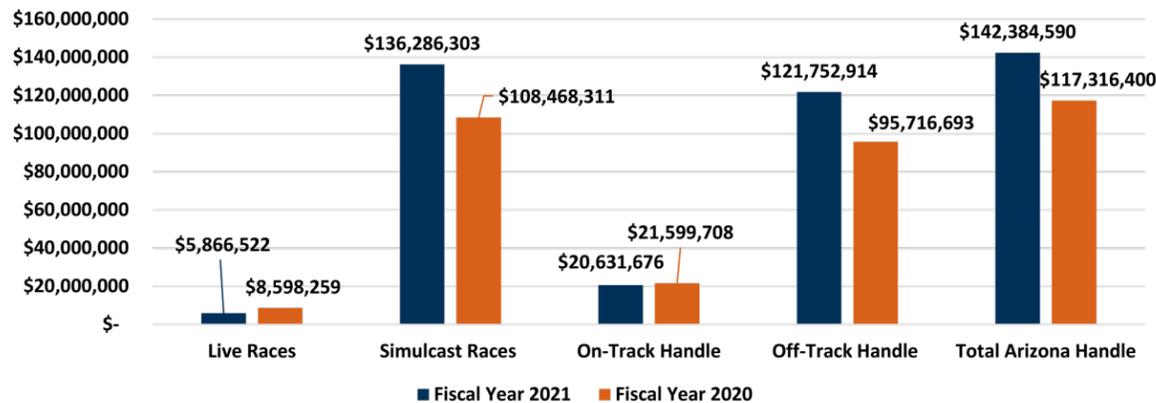
Pari-Mutuel Handle

[View pari-mutuel source data at Appendix C of this report.]

Arizona Pari-Mutuel Handle	Advanced Deposit Wagering	Commercial Horse	Commercial Dog	County Fair*	Fiscal Year 2021	Fiscal Year 2020
Handle By Source						
Live Races	821,272	5,045,250	-	-	5,866,522	8,598,259
Simulcast Races	30,883,070	89,817,934	15,585,299	-	136,286,303	108,468,311
Teletracking	-	231,765	-	-	231,765	249,831
Total Pari-Mutuel Handle	\$31,704,342	\$95,094,950	\$15,585,299	-	\$142,384,590	\$117,316,400
Handle By Location						
On-Track	-	15,247,989	5,383,687	-	20,631,676	21,599,708
Off-Track	31,704,342	79,846,961	10,201,612	-	121,752,914	95,716,693
Total Pari-Mutuel Handle	\$31,704,342	\$95,094,950	\$15,585,299	-	\$142,384,590	\$117,316,400

*Did not run in FY2021 due to COVID-19

Total Pari-Mutuel Handle Comparison



Racing

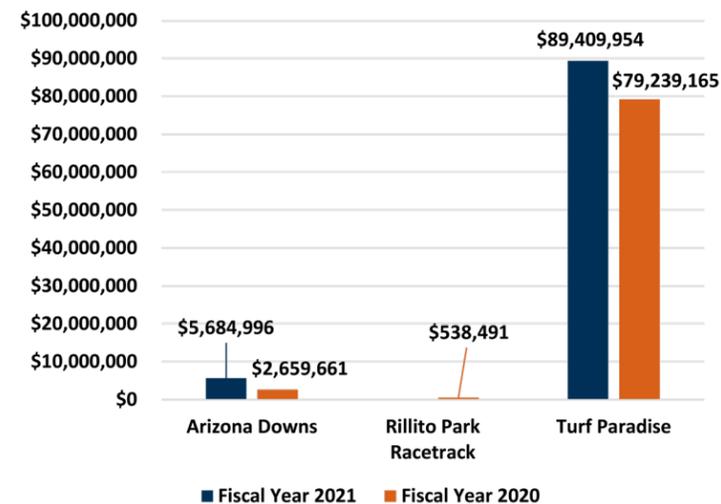
Commercial Horse Tracks

Arizona Pari-Mutuel Handle	Arizona Downs	Rillito Park Racetrack*	Turf Paradise	Fiscal Year 2021	Fiscal Year 2020
Handle By Source					
Live Races	285,498	-	4,759,752	5,045,250	7,699,950
Simulcast Races	5,287,141	-	84,530,793	89,817,934	74,487,536
Teletracking	112,357	-	119,409	231,765	249,831
Total Pari-Mutuel Handle	\$5,684,996	-	\$89,409,954	\$95,094,950	\$82,437,317
Handle By Location					
On-Track	1,964,015	-	13,283,974	15,247,989	17,185,869
Off-Track	3,720,981	-	76,125,980	79,846,961	65,251,448
Total Pari-Mutuel Handle	\$5,684,996	-	\$89,409,954	\$95,094,950	\$82,437,317

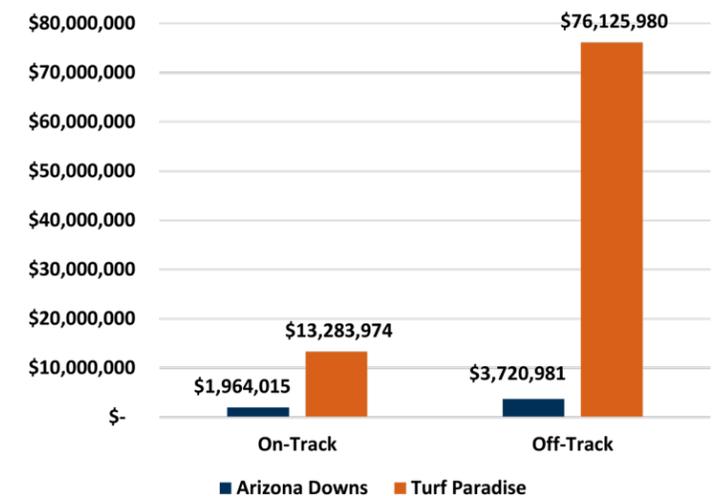
*Did not run in FY2021 due to COVID-19

Commercial Horse Tracks: Handle Comparison

Fiscal Year 2020-2021



On-Track/Off-Track



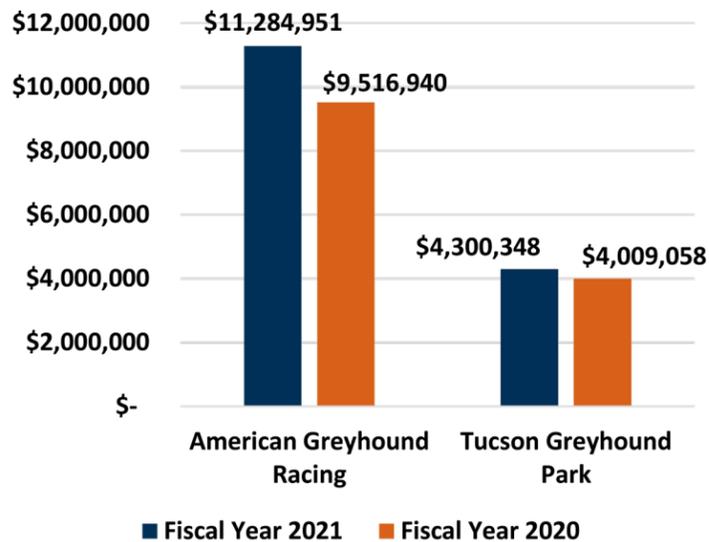
Racing

Commercial Greyhound

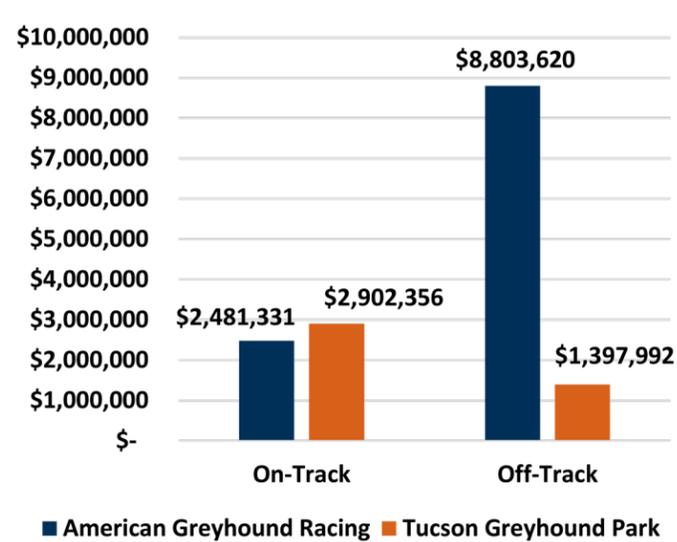
Arizona Pari-Mutuel Handle	American Greyhound Racing	Tucson Greyhound Park	Fiscal Year 2021	Fiscal Year 2020
Handle By Source				
Simulcast Races	11,284,951	4,300,348	15,585,299	13,525,998
Total Pari-Mutuel Handle	\$11,284,951	\$4,300,348	\$15,585,299	\$13,525,998
Handle By Location				
On-Track	2,481,331	2,902,356	5,383,687	3,721,715
Off-Track	8,803,620	1,397,992	10,201,612	9,804,282
Total Pari-Mutuel Handle	\$11,284,951	\$4,300,348	\$15,585,299	\$13,525,998

Commercial Greyhound: Handle Comparison

Fiscal Year 2020-2021



On-Track/Off-Track



Racing

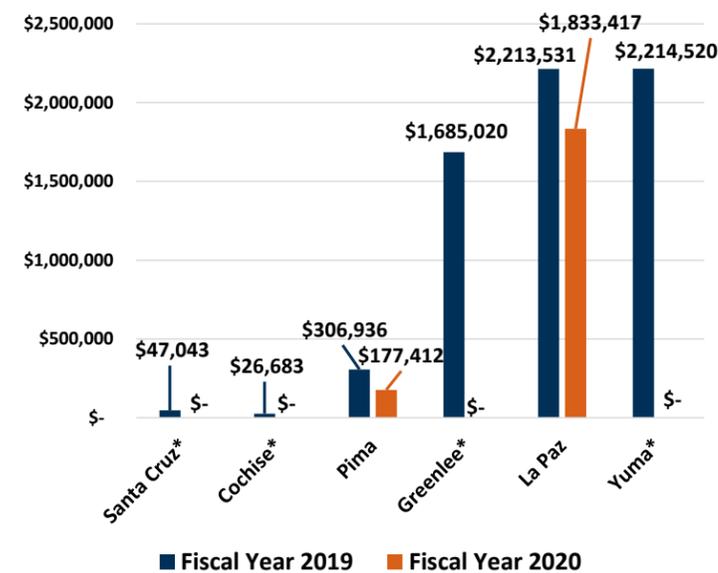
County Fair Races

In Fiscal Year 2021, none of the county fairs in Arizona hosted a racing meet due to COVID-19. The numbers reflected in this section are from Fiscal Years 2019-2020. Looking forward, ADG will work diligently with county fairs throughout the state to safely resume live racing.

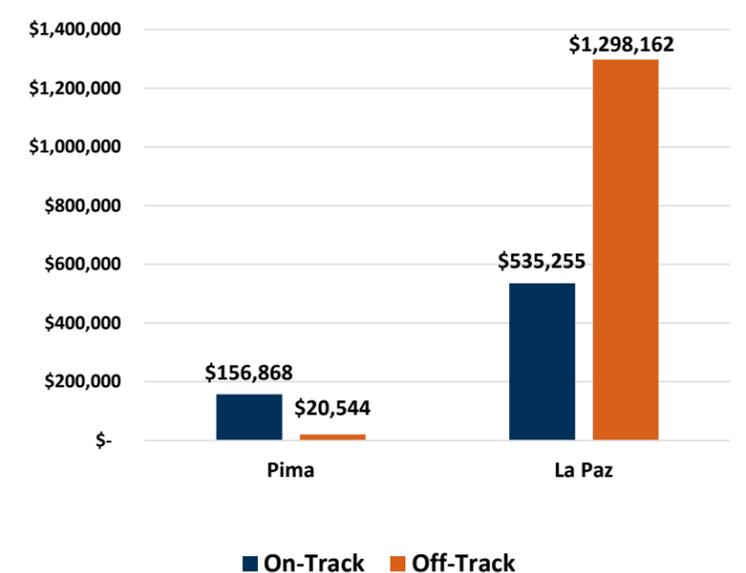
Arizona Pari-Mutuel Handle	Fiscal Year 2020	Fiscal Year 2019
Handle By Source		
Live Races	539,145	1,445,592
Simulcast Races	1,471,684	5,048,141
Total Pari-Mutuel Handle	\$2,010,829	\$6,493,733
Handle By Location		
On-Track	692,123	2,168,144
Off-Track	1,318,706	4,325,589
Total Pari-Mutuel Handle	\$2,010,829	\$6,493,733

County Fair Races: Handle Comparison

Fiscal Year 2019-2020



On-Track/Off-Track



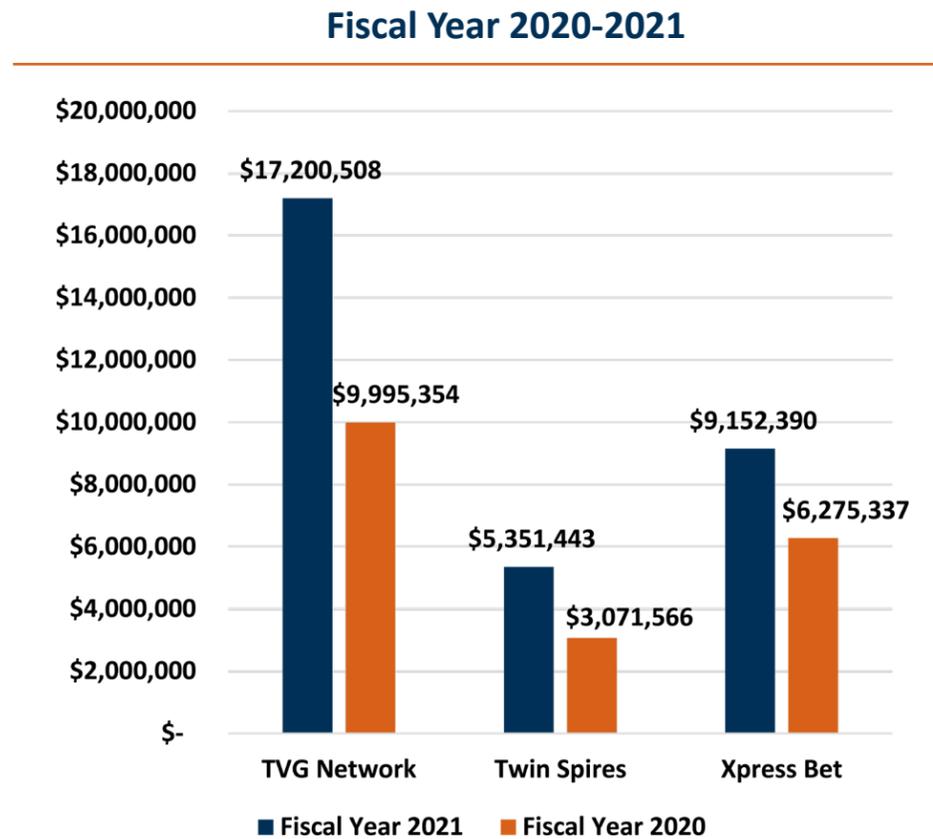
*Santa Cruz, Cochise, Greenlee and Yuma did not run in FY2020 due to the COVID-19 pandemic.

Racing

Advanced Deposit Wagering Providers

Arizona Pari-Mutuel Handle	TVG Network	Twin Spires	Xpressbet	Fiscal Year 2021	Fiscal Year 2020
Handle By Source					
Live Races	460,964	115,022	245,286	821,272	359,164
Simulcast Races	16,739,545	5,236,421	8,907,104	30,883,070	18,983,093
Total Pari-Mutuel Handle	\$17,200,508	\$5,351,443	\$9,152,390	\$31,704,342	\$19,342,257

Advanced Deposit Wagering: Handle Comparison



Advanced Deposit Wagering (ADW) is a system of betting where bettors are required to deposit monies into an account prior to placing a wager.

Racing



State Revenues

The primary funding source for the ADG Racing Division is the Racing Regulatory Fund. Revenues into this fund include the Regulatory Wagering Assessment (RWA), licensing fees, pari-mutuel taxes, and racing assessments.

Hardship Tax Credit

Laws 2016, Chapter 247 eliminated the hardship tax credit, which is used to offset the amount of pari-mutuel tax owed by horse racing tracks. To offset the pari-mutuel tax in future years, horse tracks may use credits awarded prior to Chapter 247.

Commercial Horse Track	Allowable Hardship Tax Credit (as of 6/30/2021)	Fiscal Year 2021 Hardship Used or Transferred	Balance of Hardship Tax Credit (as of 6/30/20)
Turf Paradise	\$14,564	-	\$14,564
Rillito Racetrack	\$262,776	-	\$262,776

Capital Improvement Funds

In FY2021, no capital improvement funds were used pursuant to A.R.S. § 5-111.02 that would otherwise be State revenues. A.R.S. § 5-111.02 allows a permittee to retain a percentage typically paid to the State as a means of encouraging improvements of racing facilities for the benefit of the public, breeders, and horse owners, and to increase revenue to the State from the increase in pari-mutuel wagering resulting from capital improvements.

State Revenues	ADW	Commercial Horse	Commercial Dog	County Fair*	Fiscal Year 2021	Fiscal Year 2020
Total Handle for RWA	\$31,704,342	\$241,110,234	\$15,585,299	-	\$288,399,874	\$291,744,438*
RWA	\$158,522	\$1,205,551	\$77,926	-	\$1,442,000	\$1,455,916
Total Handle for State Taxes	\$821,272	\$5,277,016	-	-	\$6,098,287	\$12,132,348*
Net 2% Pari-Mutuel Live State Tax	\$16,425	\$104,221	-	-	\$120,646	\$242,683

*County Fairs did not run in FY2021 due to COVID-19.

Racing

Funding & Budget

FY2021 appropriation:

- \$2,318,300 operating budget;
- \$250,000 earmarked for Breeder's Awards; and
- \$2,509,500 pass through to the County Fairs Livestock and Agriculture Promotion Fund, administered by the Governor's Office.

The following table presents projected expenditures for FY2022, and actual expenditures for the three preceding fiscal years.

Operating Budget	Actual Expenditures			Expend. Plan Fiscal Year 2022
	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	
Personal Services	859,635	893,232	799,242	1,041,500
Employee-Related Expenses	304,047	327,236	284,364	440,000
Professional & Outside Services	256,813	253,737	198,903	265,000
Travel - In-State	24,352	38,908	18,830	34,000
Travel - Out-of-State	11,398	6,528	0	6,000
Other Operating Expenditures	83,270	69,249	871,021	1,715,400
Equipment	489	2,903	556	15,000
Transfer Out	337,500	250,000	1,762	0
Operating Budget Subtotal	\$1,877,502	\$1,841,793	\$2,174,678	\$3,516,900
Special Line Items	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Expend. Plan Fiscal Year 2022
Arizona Breeder's Award	250,000	250,000	250,000	250,000
County Fairs Livestock and Agriculture Promotion	1,779,500	2,509,500	2,509,500	5,759,500
Racing Purse Enhancement	-	-	-	5,000,000
Racetrack Purse, Maintenance and Operations Funding	-	-	-	5,000,000
Special Line Item Subtotal	\$2,029,500	\$2,759,500	\$2,759,500	16,009,500
Agency Total	\$3,907,002	\$4,601,293	\$4,934,178	\$19,526,400
Fund Sources	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Expend. Plan Fiscal Year 2022
General Fund	1,779,500	2,509,500	2,509,500	15,759,500
Racing Regulation Fund	2,127,502	1,841,793	1,632,048	2,322,100
Breeders Award Fund	250,000	250,000	792,630	1,444,800
Agency Total	\$3,907,002	\$4,601,293	\$4,934,178	\$19,526,400

Racing

Funding & Budget

Employee Statistics	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Expend. Plan Fiscal Year 2022
Full-Time Equivalent (FTE) - Avg.	10	10	9	12
Part-Time - Avg.	-	-	-	-
Temporary/Seasonal - Avg.	-	-	-	-
Contracted	9	7	7	4

Special Line Items

The Arizona Breeder's Award is funded through special line item allocations and a 5 percent source market fee paid by Advanced Deposit Wagering permittees. ADG distributes these monies on a quarterly basis to breeders whose Arizona-bred horses place first in Arizona races.

The County Fairs Livestock and Agricultural Promotion special line item is fully distributed by ADG to the Arizona Department of Agriculture.

Staffing

A.R.S. § 5-106 requires ADG to appoint:

1. A supervisor of Mutuels;
2. A.R.S. § 5-106 also requires the Division of Racing to employ two (2) persons qualified as stewards for all races, and three (3) persons qualified as stewards for races conducted by a county fair racing association;
3. Security Personnel (establish a Security Section); and
4. As many other employees as may be necessary for the enforcement of Arizona laws and rules relating to racing.

Boxing & Mixed Martial Arts

ADG Boxing & Mixed Martial Arts (Boxing & MMA) regulates and supervises unarmed combat sporting events conducted in the State of Arizona to ensure the health and safety of participants and maintain public confidence. In addition to enforcing applicable laws and rules, ADG works with the Arizona Boxing & MMA Commission to license fighters, promoters, and event officials and supports open public meetings of the Commission.

Focus & Wins

Results

Funding & Budget

Boxing & Mixed Martial Arts

Focus & Wins

To support improved fighter safety, effective and efficient regulation, and foster and grow unarmed combat sports in Arizona, ADG focused on updating and revising policies, processes, and forms to support new rules promulgated during FY2018.

In FY2020, ADG Boxing & MMA created an [instagram account](#) to help better connect with fighters, fans, and other industry participants.

In FY2021, ADG Boxing & MMA developed COVID-19 safety protocols to allow promoters and fighters to resume events in the state in a safe and responsible manner.



Results



Funding & Budget

Funded by the Racing Regulation Fund, ADG Boxing & MMA contributes monies generated from event fees, tax levies, intergovernmental agreements, and associated licensing fees. Additionally, Laws 2018, Chapter 318 established the Unarmed Combat Subaccount within the Racing Regulation Fund. This subaccount helps fund Boxing & MMA and requires monies received from all sources, excluding license fees, to be deposited into the Subaccount.



Appendix A
Annual Report of
Tribal Contributions



September 17, 2021

The Honorable Douglas A. Ducey
Governor of Arizona
1700 W. Washington, 9th Floor
Phoenix, AZ 85007

The Honorable Karen Fann
President of the Senate
1700 West Washington
Phoenix, AZ 85007

The Honorable Russell Bowers
Speaker of the House of Representatives
1700 West Washington
Phoenix, AZ 85007

Dear Governor Ducey, President Fann, and Speaker Bowers:

In accordance with A.R.S. § 5-601.02(H)(1), which requires an annual report that includes “a statement of aggregate gross gaming revenue for all Indian tribes, aggregate revenues deposited in the Arizona Benefits Fund, including interest thereon, expenditures made from the Arizona Benefits Fund, and aggregate amounts contributed by all Indian tribes to cities, towns, and counties,” the Arizona Department of Gaming (“ADG”) is pleased to submit the following report on tribal contributions for Fiscal Year 2021.

Background

With the passage of Proposition 202, in November 2002, and the subsequent new Tribal-State Gaming Compacts, the gaming tribes in Arizona are to make tribal contributions to the State on a quarterly basis. On April 15, 2021, Governor Doug Ducey and Arizona Tribes signed the amended Tribal-State Gaming Compacts, modernizing gaming in the state by legalizing a new set of Class III casino games at Arizona tribal gaming facilities. Please note, contributions in this report have not been impacted by the amended Tribal-State Gaming Compacts and reflects contributions pursuant to the previous Tribal-State Gaming Compacts. Those contributions are based on each tribe’s Class III Net Win¹. Eighty-eight percent (88%) of a Tribe’s total annual contribution is paid to the Arizona Benefits Fund, which is administered by ADG. Pursuant to A.R.S. § 5-601.02(H)(3), monies in the Arizona Benefits Fund, including all investment earnings, are to be allocated as follows:

¹ According to A.R.S. § 5-601.02(I)(6)(b)(ii)(qq), the term “Class III Net Win” means “gross gaming revenue, which is the difference between gaming wins and losses, before deducting costs and expenses.”

1. Eight million or nine percent (9%), whichever is greater, shall be used by ADG for reimbursement of administrative and regulatory expenses.
2. Two percent (2%) of the contributions made to the Arizona Benefits Fund are to be used by ADG to fund state and local programs, for the prevention and treatment of, and education concerning, problem gambling.

In accordance with the same statute, all other monies in the Arizona Benefits Fund, including all investment earnings that are not allocated to ADG as set forth above, are to be allocated in this manner:

- Fifty-six percent (56%) to be deposited in the Instructional Improvement Fund established by A.R.S. §15-979;
- Twenty-eight percent (28%) to be deposited in the Trauma and Emergency Services Fund established by A.R.S. § 36-2903.07;
- Eight percent (8%) to be deposited in the Arizona Wildlife Conservation Fund established by A.R.S. § 17-299; and
- Eight percent (8%) to be deposited in the Tourism Fund Account established by A.R.S. § 41-2306.

ADG promptly transfers these allocated monies to each of the foregoing funds on a quarterly basis.

In addition to the monies contributed into the Arizona Benefits Fund, the Indian tribes contribute twelve percent (12%) of their total annual contributions to cities, towns, and counties, pursuant to A.R.S. § 5-601.02(H)(4).

Report

The Arizona Department of Gaming reports the following for the period from July 1, 2020, to June 30, 2021:

- Aggregate Gross Gaming Revenue² - \$1,917,852,641
- Aggregate Revenues (Tribal contributions) deposited in the Arizona Benefits Fund, including interest thereon - \$97,098,788

² Impacts to revenues due to casino closures as a result of Tribes voluntarily closing casinos to comply with Governor Ducey's "Stay Home, Stay Healthy, Stay Connected" Order effected this year's annual report. The casino closures and their estimated reduction (Gross Gaming Revenues - \$305,000,000 and Tribal Contributions - \$14,600,000) are reflected on this year's annual report (July 1, 2020, to June 30, 2021).

The Honorable Douglas A. Ducey, Governor
The Honorable Karen Fann
The Honorable Russell Bowers
September 17, 2021
Page 3 of 3

Expenditures from the Arizona Benefits Fund are as follows:

Problem Gambling	\$ 1,941,977
Arizona Department of Gaming	\$ 8,738,891
Instructional Improvement Fund	\$48,394,036
Trauma and Emergency Services	\$24,197,018
Arizona Wildlife Conservation Fund	\$ 6,913,433
Tourism Fund Account	<u>\$ 6,913,433</u>
Total	\$97,098,788

The aggregate amounts contributed by all Indian tribes to cities, towns, and counties are \$13,291,219.

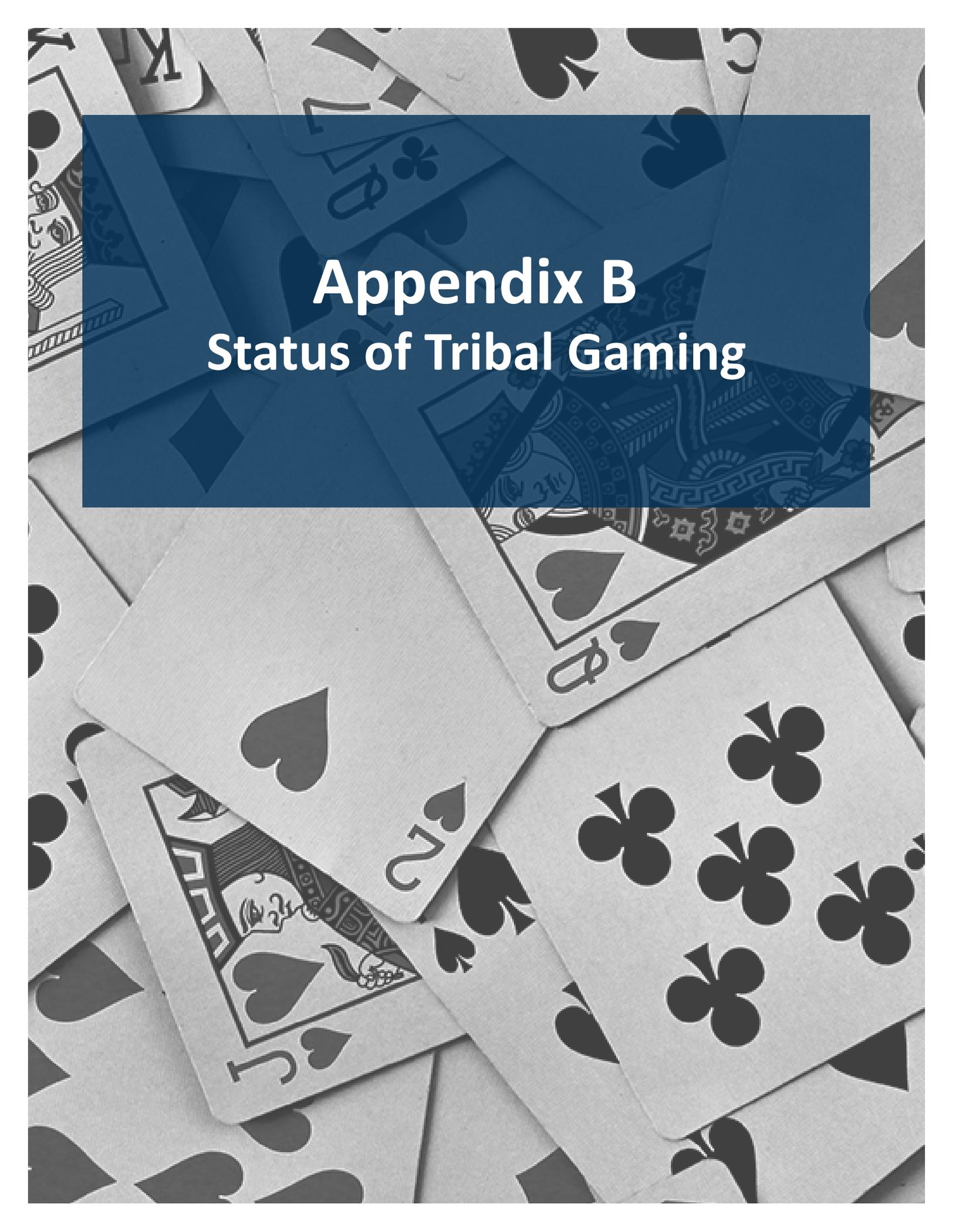
Please let me know if you have any questions concerning this report.

Sincerely,



Ted Vogt
Director

cc: Katie Hobbs, Secretary of State
Holly Henley, State Librarian and Director of Library, Archives and Public Records



Appendix B

Status of Tribal Gaming



**ARIZONA DEPARTMENT OF GAMING
STATUS OF TRIBAL GAMING IN ARIZONA AS OF 6/30/21**

Ted Vogt, Director

Tribe	Location	Current # Sites	Casino Name	Effective Date of Current Compact	Date First Opened	Class III Gaming Devices	Class II Gaming Devices	Blackjack Tables	House Banked Poker Tables	Poker Tables	Live Keno	Bingo
Ak-Chin Indian Community *	Maricopa	1	Harrah's Ak-Chin Casino	2/5/03	Dec-94	857		11	7	0	Yes	Yes
Cocopah Indian Tribe	Somerton	1	Cocopah Casino	2/5/03	Nov-92	368	109	4	0	0	No	Yes
Colorado River Indian Tribes	Parker	1	Blue Water Casino	7/3/03	Mar-95	450		8	1	0	No	No
Ft. McDowell Yavapai Nation *	Fountain Hills	1	Ft. McDowell Casino	2/5/03	Jan-93	852		16	6	5	No	Yes
Fort Mojave Indian Tribe	Needles, CA	1	Spirit Mountain Casino	2/5/03	Apr-95	125		0	0	0	No	No
Gila River Indian Community	Sacaton	3	Gila River - Lone Butte	2/5/03	Jan-02	1,080		21	5	30	No	No
			Gila River - Vee Quiva		Dec-97	1,230		22	2	0	No	No
			Gila River - Wild Horse Pass		Nov-97	1,075		25	5	10	No	No
Navajo Nation	Window Rock	1	Twin Arrows Casino	2/5/03	May-13	0		0	0	0	No	No
Pascua Yaqui Tribe of Arizona *	Tucson	2	Casino del Sol	2/5/03	Oct-01	1,010		14	6	12	No	Yes
			Casino of the Sun		Mar-94	271	6	3	0	0	No	No
Pascua Yaqui - Class II Only **			Del Sol Marketplace		Jan-16	0	8	--	--	--	--	--
Quechan Indian Tribe	Yuma	1	Paradise Casino	2/5/03	Aug-96	393		0	0	0	No	Yes
Salt River-Pima Indian Community	Scottsdale	2	Casino Arizona	2/5/03	Aug-98	936		32	7	0	Yes	Yes
			Talking Stick Resort and Casino		Mar-99	895		51	7	47	Yes	No
San Carlos Apache Tribe	San Carlos	2	Apache Gold Casino	2/5/03	May-94	474		0	0	0	No	No
			Apache Sky Casino		Apr-17	284		0	0	0	No	No
Tohono O'odham Nation *	Sells	3	Desert Diamond - Tucson	2/5/03	Oct-93	1,136		21	5	0	No	No
			Desert Diamond - Sahuarita		Jul-01	591		6	2	0	No	No
			Desert Diamond - West Valley		Feb-20	1,080		39	9	36	No	No
Tohono O'odham - Class II Only **			Desert Diamond - Why		Feb-99	0	40	0	0	0	No	No
Tonto Apache Tribe	Payson	1	Mazatzal Casino	2/5/03	Sep-93	368		5	1	0	No	No
White Mountain Apache Tribe	Whiteriver	1	Hon-Dah Casino	2/5/03	Dec-93	505		3	0	2	No	No
Yavapai-Apache Nation	Camp Verde	1	Cliff Castle Casino	2/5/03	May-95	625		6	2	0	No	No
Yavapai-Prescott Indian Tribe	Prescott	2	Bucky's Casino - Prescott Resort	8/21/03	Nov-92	258		7	2	0	No	No
			Yavapai Gaming Center		Nov-92	227		0	0	0	No	No
TOTALS:		24				15,090	163	294	67	142		

*Denotes urban Tribes, which are allowed a maximum of 119 combined table games. Rural Tribes are allowed a maximum of 90.

**Class II Facility only - not regulated by the Arizona Department of Gaming or Tribal-State Compacts.

Compacted Non-gaming Tribes

Tribe	Location	Effective Date of Current Compact	Casino Opening and Closing Dates	Current Gaming Device Allocation
Havasupai Indian Tribe	Supai	February 5, 2003		613
Hopi Tribe	Kykotsmovi	May 8, 2018		900
Hualapai Indian Tribe	Peach Springs	February 5, 2003	2/95 - 9/95	613
Kaibab-Paiute Tribe	Fredonia	February 5, 2003	8/94 - 9/96	613
San Juan Southern Paiute	Tuba City	August 26, 2003		613
Zuni Tribe	Zuni, NM	July 3, 2003		613



Appendix C

Racing Supporting Data

**ADVANCED DEPOSIT WAGERING, COMMERCIAL RACING, and COUNTY FAIR RACING
FYE 06/30/2021**

	ADW	Commercial Horse	Commercial Dog ¹	County Fair	FY 2021	FY 2020
Race Days / Performances						
Live Race Days / Performances	269	89	0	0	358	458
Dark Day - Simulcast Only	824	627	645	0	2,096	1,792
COVID-19 Guideline Restrictions	0	4	0	0	4	286
Total Race Days	1,093	720	645	0	2,458	2,536
Number of Races						
Live AZ Races	2,461	814	0	0	3,275	3,831
Simulcast Races	344,212	92,810	56,033	0	493,055	482,380
Total Number of Races	346,673	93,624	56,033	0	496,330	486,211
Attendance						
On Track	0	62,718	37,902	0	100,620	251,488
Off Track	0	434,309	67,346	0	501,655	414,825
Total Attendance	0	497,027	105,248	0	602,275	666,313
Pari-Mutuel Handle						
Handle Breakdown by Source						
Live Handle - <u>Taxable</u>	\$ 821,272	\$ 5,045,250	\$ -	\$ -	\$ 5,866,522	\$ 8,598,259
Simulcast Handle - <u>Non-Taxable</u>	\$ 30,883,070	\$ 89,817,934	\$ 15,585,299	\$ -	\$ 136,286,303	\$ 108,468,311
Teletracking Handle - <u>Taxable</u>	\$ -	\$ 231,765	\$ -	\$ -	\$ 231,765	\$ 249,831
Total Arizona Pari-Mutuel Handle	\$ 31,704,342	\$ 95,094,950	\$ 15,585,299	\$ -	\$ 142,384,590	\$ 117,316,401
Handle Breakdown by Location						
On Track Handle	\$ -	\$ 15,247,989	\$ 5,383,687	\$ -	\$ 20,631,676	\$ 21,599,707
Off Track Handle	\$ 31,704,342	\$ 79,846,961	\$ 10,201,612	\$ -	\$ 121,752,914	\$ 95,716,693
Total Arizona Pari-Mutuel Handle	\$ 31,704,342	\$ 95,094,950	\$ 15,585,299	\$ -	\$ 142,384,590	\$ 117,316,400
Average Handle Per Race Day	\$ 86,970	\$ 132,076	\$ 51,756	\$ -	\$ 57,927.01	\$ 46,260
Commingled (Export out of AZ)	\$ -	\$ 146,836,556	\$ -	\$ -	\$ 146,836,556	\$ 130,381,906
Adjusted Handle for RWA						
Less: Paid by ADWs and Other Tracks	\$ -	\$ (940,680)	\$ -	\$ -	\$ (940,680)	\$ (457,398)
Add: Live Handle - Other Tracks	\$ -	\$ 119,409	\$ -	\$ -	\$ 119,409	\$ 35,281
Add: Simulcast Handle - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,763
Exceptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (68,600)
Total Adjusted Handle for the RWA	\$ -	\$ (821,272)	\$ -	\$ -	\$ (821,272)	\$ (410,954)
Adjusted Handle for State Tax						
Less: Live Off-Track - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (79,763)
Exceptions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,200)
Total Adjusted Handle for State Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (82,963)
Total Handle for RWA	\$ 31,704,342	\$ 241,110,234	\$ 15,585,299	\$ -	\$ 288,399,874	\$ 247,275,662
Total Handle for State Tax	\$ 821,272	\$ 5,277,016	\$ -	\$ -	\$ 6,098,287	\$ 8,765,126
State Revenues						
Regulatory Wagering Assessment (RWA)	\$ 158,522	\$ 1,205,551	\$ 77,926	\$ -	\$ 1,442,000	\$ 1,236,377
Gross 2% Live Pari-Mutuel State Tax	\$ 16,425	\$ 105,544	\$ -	\$ -	\$ 121,969	\$ 175,303
Revenue Withheld - Charity Days	\$ -	\$ 1,323	\$ -	\$ -	\$ 1,323	\$ 4,421
Revenue Withheld - County Fair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,783
Hardship Tax Credit ^{2,3}	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,210
Net 2% Live Pari-Mutuel State Tax	\$ 16,425	\$ 104,221	\$ -	\$ -	\$ 120,646	\$ 149,888
Returned to Wagering Public	\$ 24,199,800	\$ 71,254,832	\$ 11,851,357	\$ -	\$ 107,305,989	\$ 87,357,337

**ADVANCED DEPOSIT WAGERING, COMMERCIAL RACING, and COUNTY FAIR RACING
FYE 06/30/2021**

Settlement to/from Host	\$ 1,150,354	\$ 4,197,709	\$ 352,678	\$ -	\$ 5,700,741	\$ 5,201,046
Track Mutuel Revenue						
Track/ADW Commission	\$ 6,223,259	\$ 19,279,535	\$ 3,358,053	\$ -	\$ 28,860,847	\$ 24,214,426
Breakage	\$ 114,503	\$ 285,506	\$ 23,211	\$ -	\$ 423,220	\$ 337,221
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvement AGP Non-Taxable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Track/ADW Revenue	\$ 6,337,762	\$ 19,565,041	\$ 3,381,264	\$ -	\$ 29,284,067	\$ 24,551,647
Purses¹	\$ -	\$ 9,830,923	\$ -	\$ -	\$ 9,830,923	\$ 8,054,642

¹ A.R.S. Title 5, 5-110 (H) - Notwithstanding any other law, live dog racing shall not be conducted in this state after December 31, 2016.

² As of May 13, 2016, "Laws 2016, Chapter 247 eliminates the hardship tax credit which is used to offset the amount of pari-mutuel tax owed by greyhound and horse racing tracks. Credits awarded prior to Chapter 247 may still be used by horse racing tracks to offset pari-mutuel tax in future years. Greyhound tracks will be unable to use previously accrued credits due to the elimination of live dog racing by Laws 2016, Chapter 246." - FY 2017 Appropriations Report - Department of Gaming

³ Hardship Credit under ADW is Hardship credit taken on Rillito Live Handle. This amount was received by the Department from the ADWs and paid to Rillito Park

COMMERCIAL HORSE TRACKS
FYE 06/30/2021

	Arizona Downs	Rillito Park	Turf Paradise	FY 2021	FY 2020
Race Days / Performances¹					
Live Race Days / Performances	10	0	79	89	121
Dark Day - Simulcast Only	351	0	276	627	448
COVID-19 Guideline Restrictions	0	0	4	4	144
Total Race Days	361	0	359	720	713
Number of Races					
Live AZ Races	89	0	725	814	924
Simulcast Races	58,717	0	34,093	92,810	84,547
Total Number of Races	58,806	0	34,818	93,624	85,471
Attendance					
On Track	20,845	0	41,873	62,718	217,090
Off Track	36,060	0	398,249	434,309	346,453
Total Attendance	56,905	0	440,122	497,027	563,543
Pari-Mutuel Handle					
Handle Breakdown by Source					
Live Handle - Taxable	\$ 285,498	\$ -	\$ 4,759,752	\$ 5,045,250	\$ 7,699,950
Simulcast Handle - Non-Taxable	\$ 5,287,141	\$ -	\$ 84,530,793	\$ 89,817,934	\$ 74,487,536
Teletracking Handle - Taxable	\$ 112,357	\$ -	\$ 119,409	\$ 231,765	\$ 249,831
Total Arizona Pari-Mutuel Handle	\$ 5,684,996	\$ -	\$ 89,409,954	\$ 95,094,950	\$ 82,437,317
Handle Breakdown by Location					
On Track Handle	\$ 1,964,015	\$ -	\$ 13,283,974	\$ 15,247,989	\$ 17,185,869
Off Track Handle	\$ 3,720,981	\$ -	\$ 76,125,980	\$ 79,846,961	\$ 65,251,448
Total By Location	\$ 5,684,996	\$ -	\$ 89,409,954	\$ 95,094,950	\$ 82,437,317
Average Handle Per Race Day	\$ 15,748	\$ -	\$ 249,053	\$ 132,076	\$ 227,886
Commingled (Export out of AZ)	\$ 3,478,150	\$ -	\$ 143,358,406	\$ 146,836,556	\$ 125,832,148
Adjusted Handle for RWA					
Less: Paid by ADWs and Other Tracks	\$ (157,882)	\$ -	\$ (782,798)	\$ (940,680)	\$ (457,398)
Add: Live Handle - Other Tracks	\$ 119,409	\$ -	\$ -	\$ 119,409	\$ 35,281
Add: Simulcast Handle - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ 79,763
Exceptions	\$ -	\$ -	\$ -	\$ -	\$ (68,600)
Total Adjusted Handle for RWA	\$ (38,473)	\$ -	\$ (782,798)	\$ (821,272)	\$ (410,954)
Adjusted Handle for State Tax					
Less: Live Off-Track - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ (79,763)
Exceptions	\$ -	\$ -	\$ -	\$ -	\$ (3,200)
Total Adjusted Handle for State Tax	\$ -	\$ -	\$ -	\$ -	\$ (82,963)
Total Handle for RWA	\$ 9,124,673	\$ -	\$ 231,985,561	\$ 241,110,234	\$ 207,858,511
Total Handle for State Tax	\$ 397,855	\$ -	\$ 4,879,161	\$ 5,277,016	\$ 7,866,818
State Revenues					
Regulatory Wagering Assessment (RWA)	\$ 45,623	\$ -	\$ 1,159,928	\$ 1,205,551	\$ 1,039,292
Gross 2% Live Pari-Mutuel State Tax	\$ 7,957	\$ -	\$ 97,587	\$ 105,544	\$ 157,337
Revenue Withheld - Charity Days	\$ -	\$ -	\$ 1,323	\$ 1,323	\$ 4,421
Revenue Withheld - County Fair ²	\$ -	\$ -	\$ -	\$ -	\$ -
Hardship Tax Credit ³	\$ -	\$ -	\$ -	\$ -	\$ 10,171
Net 2% Live Pari-Mutuel State Tax	\$ 7,957	\$ -	\$ 96,264	\$ 104,221	\$ 142,744
Returned to Wagering Public	\$ 4,157,179	\$ -	\$ 67,097,653	\$ 71,254,832	\$ 60,870,278

COMMERCIAL HORSE TRACKS
FYE 06/30/2021

Settlement to/from Host	\$ 350,208	\$ -	\$ 3,847,501	\$ 4,197,709	\$ 4,261,933
Track Mutuel Revenue					
Track Commission	\$ 1,139,958	\$ -	\$ 18,139,577	\$ 19,279,535	\$ 16,891,929
Breakage	\$ 29,861	\$ -	\$ 255,644	\$ 285,506	\$ 223,033
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -	\$ -
Total Track Revenue	\$ 1,169,819	\$ -	\$ 18,395,222	\$ 19,565,041	\$ 17,114,962
Purses	\$ 526,960	\$ -	\$ 9,303,963	\$ 9,830,923	\$ 7,810,570

¹ Race Days do not include County Fair Dates

² Teletracking bets placed at other Tracks for County Fair races

³ As of May 13, 2016, "Credits awarded prior to Chapter 247 may still be used by horse racing tracks to offset pari-mutuel tax in future years." - FY 2017 Appropriations Report - Department of Gaming

COMMERCIAL GREYHOUND TRACKS

American Greyhound Racing and Tucson Greyhound Park

FYE 06/30/2021

	AGP	TGP	FY 2021	FY 2020
Race Days / Performances¹				
Dark Day - Simulcast Only	283	362	645	584
COVID-19 Guideline Restrictions	0	0	0	142
Total Race Days	283	362	645	726
Number of Races				
Simulcast Races	25,094	30,939	56,033	78,604
Total Number of Races	25,094	30,939	56,033	78,604
Attendance				
On Track	21,487	16,415	37,902	17,783
Off Track	35,572	31,774	67,346	61,563
Total Attendance	57,059	48,189	105,248	79,346
Pari-Mutuel Handle				
Handle Breakdown by Source				
Simulcast Races - <u>Non-Taxable</u>	\$ 11,284,951	\$ 4,300,348	\$ 15,585,299	\$ 13,525,998
Total Arizona Pari-Mutuel Handle	\$ 11,284,951	\$ 4,300,348	\$ 15,585,299	\$ 13,525,998
Handle Breakdown by Location				
On Track Handle	\$ 2,481,331	\$ 2,902,356	\$ 5,383,687	\$ 3,721,715
Off Track Handle	\$ 8,803,620	\$ 1,397,992	\$ 10,201,612	\$ 9,804,282
Total Arizona Pari-Mutuel Handle	\$ 11,284,951	\$ 4,300,348	\$ 15,585,299	\$ 13,525,997
Average Handle Per Race Day	\$ 39,876	\$ 11,879	\$ 51,756	\$ 18,631
State Revenues				
Regulatory Wagering Assessment (RWA)	\$ 56,425	\$ 21,502	\$ 77,926	\$ 67,630
Returned to Wagering Public	\$ 8,438,558	\$ 3,412,798	\$ 11,851,357	\$ 10,329,290
Settlement to/from Host	\$ 371,178	\$ (18,500)	\$ 352,678	\$ 134,981
Track Mutuel Revenue				
Track Commission	\$ 2,457,269	\$ 900,784	\$ 3,358,053	\$ 3,039,012
Breakage	\$ 17,945	\$ 5,266	\$ 23,211	\$ 22,714
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -
Capital Improvement AGP Non-Taxable	\$ -	\$ -	\$ -	\$ -
Total Track Revenue	\$ 2,475,214	\$ 906,050	\$ 3,381,264	\$ 3,061,726

¹ A.R.S. Title 5, 5-110 (H) - Notwithstanding any other law, live dog racing shall not be conducted in this state after December 31, 2016.

**COUNTY FAIR RACES
FYE 06/30/2021**

County Fairs did not run in Fiscal Year 2021

	Santa Cruz	Cochise	Pima	Greenlee	La Paz	Yuma	FY 2021	FY 2020
	Santa Cruz County Fair & Rodeo Association	Cochise County Fair Association	Pima County Fair Horse Racing Comission	Greenlee County Fair	La Paz County Fair Association	Yuma County Fair Association	Total - All County Fair Racing	Total - All County Fair Racing
Race Days / Performances								
Live Race Days / Performances	0	0	0	0	0	0	0	6
Dark Day - Simulcast Only	0	0	0	0	0	0	0	0
Total Race Days	0	0	0	0	0	0	0	6
Number of Races								
Live AZ Races	0	0	0	0	0	0	0	48
Simulcast Races	0	0	0	0	0	0	0	572
Total Number of Races	0	0	0	0	0	0	0	620
Attendance								
On Track	0	0	0	0	0	0	0	16,615
Off Track	0	0	0	0	0	0	0	6,809
Total Attendance	0	0	0	0	0	0	0	23,424
Pari-Mutuel Handle								
Handle Breakdown by Source								
Live Handle - Taxable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539,145
Simulcast Handle - Non-Taxable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,471,684
Teletracking Handle - Taxable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Arizona Pari-Mutuel Handle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,010,829
Handle Breakdown by Location								
On Track Handle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 692,123
Off Track Handle	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,318,706
Total By Location	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,010,829
Average Handle Per Race Day	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 335,138
Commingled (Export out of AZ)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,549,758
Adjustments to Handle for the RWA								
Less: ADWs and Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,224)
Add: Live Handle - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,533
Add: Simulcast - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,691)
Total Handle for RWA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,548,896
State Revenues								
Regulatory Wagering Assessment (RWA)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,744
Gross 2% Live Pari-Mutuel State Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,783
Revenue Withheld - Charity Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Withheld - County Fair	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,783
Hardship Tax Credit ¹	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net 2% Live Pari-Mutuel State Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Returned to Wagering Public	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,418,401
Settlement to/from Host	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,956
Track Mututal Revenue								
Track Commission	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,710
Breakage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,719
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Track Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,429
Purses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 244,072

¹ Rillito Racing, Inc. Hardship Credit Taken

**ADVANCE DEPOSIT WAGERING
FYE 06/30/2021**

	TVG Network	Twin Spires	Xpressbet	FY 2021	FY 2020
Race Days / Performances					
Live Race Days / Performances	92	88	89	269	331
Dark Day - Simulcast Only	273	276	275	824	760
Total Wagering Days	365	364	364	1,093	1,091
Number of Races					
Live AZ Races	842	805	814	2,461	2,859
Simulcast Races	42,291	159,887	142,034	344,212	318,657
Total Number of Races	43,133	160,692	142,848	346,673	321,516
Pari-Mutuel Handle					
Handle Breakdown by Source					
Live Races - Taxable	\$ 460,964	\$ 115,022	\$ 245,286	\$ 821,272	\$ 359,164
Simulcast Races - Non-Taxable	\$ 16,739,545	\$ 5,236,421	\$ 8,907,104	\$ 30,883,070	\$ 18,983,093
Total Arizona Pari-Mutuel Handle	\$ 17,200,508	\$ 5,351,443	\$ 9,152,390	\$ 31,704,342	\$ 19,342,257
Average Handle Per Race Day	\$ 47,125	\$ 14,702	\$ 25,144	\$ 86,970	\$ 17,729
State Revenues					
Regulatory Wagering Assessment (RWA)	\$ 86,003	\$ 26,757	\$ 45,762	\$ 158,522	\$ 96,711
Gross 2% Live Pari-Mutuel State Tax	\$ 9,219	\$ 2,300	\$ 4,906	\$ 16,425	\$ 7,183
Revenue Withheld - Charity Days	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Withheld - County Fair	\$ -	\$ -	\$ -	\$ -	\$ -
Hardship Tax Credit - Rillito Park	\$ -	\$ -	\$ -	\$ -	\$ 39
Net 2% Live Pari-Mutuel State Tax	\$ 9,219	\$ 2,300	\$ 4,906	\$ 16,425	\$ 7,144
Returned to Wagering Public	\$ 13,140,190	\$ 4,043,860	\$ 7,015,749	\$ 24,199,800	\$ 14,739,368
Settlement to/from Host	\$ 625,474	\$ 224,092	\$ 300,788	\$ 1,150,354	\$ 641,176
ADW Mututal Revenue					
ADW Commission	\$ 3,344,507	\$ 1,057,443	\$ 1,821,309	\$ 6,223,259	\$ 3,867,775
Breakage	\$ 81,118	\$ 23,748	\$ 9,638	\$ 114,503	\$ 86,755
Total ADW Revenue	\$ 3,425,625	\$ 1,081,190	\$ 1,830,947	\$ 6,337,762	\$ 3,954,530

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